



South Dakota
Department of
Social Services

DEPARTMENT OF SOCIAL SERVICES

DIVISION OF MEDICAL SERVICES

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May 8, 2023

Attention: South Dakota Medicaid Providers

From: South Dakota Medicaid

RE: Payment Error Rate Measurement (PERM) Reporting Year (RY) 2024

What is the Payment Error Rate Measurement (PERM)?

PERM is a federal audit process to measure improper payments in Medicaid and the Children's Health Insurance Program (CHIP) and produces an error rate for each program. The Centers for Medicare and Medicaid Services (CMS) contracts with vendors to conduct the audit. South Dakota is currently participating in the PERM Cycle 3 for Reporting Year 2024 which covers July 1, 2022 through June 30, 2023.

What does this mean for providers?

The PERM contractors randomly select paid claims for review and will request medical records from providers. Providers are required to submit the requested records to the PERM contractors for review of compliance with statutory, regulatory, and administrative requirements. Any claims that fail to meet requirements are considered an error. South Dakota is required to reimburse the federal government for improper payments and has the right to recover these payments from the provider.

Beginning the week of May 8, 2023, Empower AI, the Review Contractor, will begin contacting providers to obtain medical records for claims selected for review.

Additional information regarding PERM is available on CMS's website by clicking [here](#).

Sincerely,

South Dakota Medicaid

The Department of Social Services does not exclude, deny benefits to, or otherwise discriminate against any person on the basis of actual or perceived race, color, religion, national origin, sex, age, sexual orientation or disability in admission or access to, or treatment or employment in its programs, activities, or services. For more information about this policy or to file a Discrimination Complaint you may contact: Discrimination Coordinator, Director of DSS Division of Legal Services, 700 Governor's Drive, Pierre SD 57501, 605-773-3305.

ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-800-305-9673 (TTY: 711).

ACHTUNG: Wenn Sie Deutsch sprechen, stehen Ihnen kostenlos sprachliche Hilfsdienstleistungen zur Verfügung. Rufnummer: 1-800-305-9673 (TTY: 711).